

## **MINUTES**

### **MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION**

**Call to Order:** By **CHAIRMAN DON HARGROVE**, on January 25, 2001 at 10:00 A.M., in Room 335 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Don Hargrove, Chairman (R)  
Sen. John C. Bohlinger, Vice Chairman (R)  
Sen. Edward Butcher (R)  
Sen. Pete Ekegren (R)  
Sen. Jim Elliott (D)  
Sen. Eve Franklin (D)  
Sen. Ken Toole (D)

**Members Excused:** Sen. Fred Thomas (R)

**Members Absent:** None.

**Staff Present:** Lynette Brown, Committee Secretary  
David Niss, Legislative Branch

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 90, 1/11/2001  
Executive Action: SR4

#### **Hearing on SB 90**

**Sponsor:** SEN. PETE Ekegren, SD 44, Choteau

**Proponents:** Tryg Dahle, Intelicom Inc.  
Riley Johnson, National Federation of Independent Business  
Webb Brown, Montana Chamber of Commerce  
Bill Campbell, himself

**Opponents:** None

**Opening Statement by Sponsor:**

**SEN. PETE EKEGREN, SD 44, Choteau**, said this bill resulted from SJR9 from last session. SJR9 requested a study of all state contracting. The biggest issue in the bill is "preferences". This bill attempts to eliminate "Montana Preference". **SEN. EKEGREN** stated he has been convinced that the "preference" label is unfavorable.

**Proponents' Testimony: Tryg Dahle, Intelicom Inc.,**

**EXHIBIT (sts20a01)** explained the hand-out on the negative effects of bid preferences on a Montana business.

**Riley Johnson, National Federation of Independent Business,**

**EXHIBIT (sts20a02)** explained the hand-out on the special member ballot.

**Webb Brown, Montana Chamber of Commerce**, said his organization did a survey with its members with the results being in favor (two to one) of eliminating the preference in the bill. Presently, businesses now compete on a global scale and, therefore, need the preference removed.

**Bill Campbell, Hunting Shack in Stevensville, MT.**, stated they've had problems with the preference listing for 25 years. Every time they bid against another state resident, they receive a three percent reduction in price on their product. He shared that recently his business lost the state of Oregon a five-year contract that was worth \$4 million, with a net profit of \$200,000.

**Opponents: None**

**Informational Testimony:**

**Sheryl Motl Olson, Department of Administration,**

**EXHIBIT (sts20a03)** gave testimony concerning procurement preferences.

**Proponents' Testimony:**

**Tom Ebzery, attorney for Montana Contractors Association,**

**EXHIBIT (sts20a04)** explained amendment Sb009001.ajm which was requested by **SEN. EKEGREN**.

**Informational Testimony:**

**Nick Roterling, Legal Council for the Department of Transportation**, stated his department supports the amendment because the department has been in negotiations with Alberta for the last several months to attempt to solve this problem.

**Questions from Committee Members and Responses:**

**SEN. JOHN BOHLINGER** asked **Sheryl Motl** what are the states that have the restraint of trade agreements? She answered they include: Hawaii, Alaska, Wyoming, South Carolina, West Virginia.

**SEN. JIM ELLIOTT** asked **Nick Roterling** if Montana has entered into an agreement with the nation of Canada? **Mr. Roterling** responded there is a procedure in place where the state of Montana and the Department of Transportation work with Canadian provinces. This bill was suggested by the Department of Transportation and **SEN. ARNIE MOHL** as a means to resolve this issue as a result of meetings with Canadian representatives.

**SEN. KEN TOOLE** asked **Sheryl Motl** if she knew the size of the contracts? She responded she did not have a dollar figure, but the preferences in the bill is only applied to the issue of bids. Preferences can not be applied if there is any federal money involved.

**SEN. TOOLE** asked why it could not apply to prisons? **Ms. Motl** answered because it conflicted with a request for proposal in regards to the prisons. They wanted to be able to make the decision based on other factors, such as design, staffing, and expertise, rather than just cost.

**Closing by Sponsor:** **SEN. PETE EKEGREN** closed SB90. He stated the result is that companies located in Montana, but not incorporated in Montana can be penalized in doing business with other states.

**EXECUTIVE ACTION ON SR 4**

**Motion/Vote:** **SEN. TOOLE** moved that **SR 4 BE ADOPTED**. Motion carried unanimously.

**EXECUTIVE ACTION ON SB 256**

**SEN. HARGROVE** explained amendment **SB025601.adn EXHIBIT(sts20a05)**.

**SEN. BUTCHER** expressed concern about the athletes being excluded from those required to register for the draft before being granted a scholarship. He said the athletes should have to register before receiving money also. **SEN. BUTCHER**, therefore, opposed the amendment.

**Motion/Vote:** **SEN. FRANKLIN** moved that **AMENDMENT SB025601.ADN BE ADOPTED. Motion carried 4-2 with Butcher and Elliott voting no.**

**SEN. BUTCHER** said the purpose of the bill is irrelevant if the athletes are not included in being required to register for the draft.

**SEN. TOOLE** told the committee he had spoken with **John McEwen**, Department of Administration Personnel Division, who raised a concern on the employment end that this information be gathered after hiring.

**SEN. HARGROVE** shared that **Mr. McEwan** contacted him and agreed they would register the young men right on the spot and not wait until after they were hired.

**SEN. TOOLE** asked if this information is gathered in other areas?  
**SEN. HARGROVE** answered that was correct.

**SEN. FRANKLIN** said this bill would create an opportunity for young people to register for the draft in the university system. In that manner, the bill is pro-active in creating that atmosphere, rather than being punitive in intent.

**SEN. HARGROVE** reiterated the purpose of this bill was to get people to register. This is important because if they don't register, they will never be able to work for the federal government, or participate in many federal programs. They only have the opportunity to register up until they reach 26 years of age.

**SEN. BOHLINGER** said after hearing this discussion, he wants to change his vote on the amendment. He now agrees with **SEN. BUTCHER's** comments. **SEN. BOHLINGER** stated it would be a mistake to strike the scholarship and fee waiver from the bill.

**SEN. HARGROVE** stated the committee need to look into this bill and amendment further. He said he will get more information for the committee.

**Motion:** **SEN. FRANKLIN WITHDREW** her **DO PASS** motion on amendment **SB025601.adn.**

**ADJOURNMENT**

Adjournment: 11:00 A.M.

---

SEN. DON HARGROVE, Chairman

---

LYNETTE BROWN, Secretary

DH/LB

**EXHIBIT** (sts20aad)